

**Summary of Eleventh Negotiation Session on
New Water Supply Agreement**

Date of Session: August 25, 2003
Place: Santa Rosa Laguna Pumping Plant
Time: 9:00 AM – Noon

Parties Present and Represented:

Cities: Cotati, Petaluma, Santa Rosa and Sonoma.
Districts: North Marin, Marin Municipal, Sonoma County Water Agency,
Valley of the Moon Water District and Forestville Water District

Attachment A contains complete list of attendees.

Voting Method:

Voting represents the consensus of the ten parties to the negotiation (Cotati, Petaluma, Rohnert Park, Santa Rosa, Sonoma, Windsor, Forestville Water District, North Marin Water District, Marin Municipal Water District (MMWD) and Valley of the Moon Water District). Each of the ten has one vote to cast pursuant to the rule adopted by the WAC at its meeting of September 9, 2002, namely:

- Decision making style: Consensus (defined as all parties agreeing they are either (a) for an issue (thumbs up), (b) can live with it (thumbs horizontal) or (c) opposed (thumbs down). Vote results are reported when taken as (a/b/c).
- If parties can't come to consensus, table the issue and deal with it at the end of the negotiation.

Recap of Prior Negotiation Session:

Consultant John Nelson reviewed discussions that took place at the July 28, 2003 negotiation session. The parties then approved the minutes of that session.

Status of Response from MMWD to WAC Letter:

Pam Nicolai said the MMWD Board was taking the matter up at their September 17th Board meeting and that she would have an update for the WAC by the next negotiation session.

Review of Part 5 – Water Advisory Committee (Governance Issues):

Mr. Nelson reviewed changes proposed at last session. These are shown in Attachment B. The parties, by consensus, agreed on new language addressing changes proposed at

last meeting, decided on several refinements regarding who should serve on subcommittees and the Technical Advisory Committee, and suggested several edits. Mr. Nelson was asked to bring Part 5 back with these changes for approval at the next meeting.

Continued Negotiation of 21 Key Issues in Contention between SCWA and WAC:

The parties then moved on to the Key Issues in Contention, focusing attention on the language suggested by Mr. Nelson in the following attachments based on the prior negotiation sessions and meetings with the Agency manager and counsel addressing: (1) Urban Water Management Plan (UWMP) and Watershed Provisions (Attachment C), (2) Addition of New Facilities (Attachment D, and (3) Recycled Water/Local Supply Projects (Attachment E).

(1) UWMP and Watershed Provisions:

Section 4.12 – Watershed Planning and Restoration Charge: Discussion focused on the ambiguity of whether the Watershed Planning and Restoration Charge/Fund did or should include non discretionary expenditures the Agency makes for: (a) watershed costs it incurs or may in the future incur in response to regulatory requirements; and, (b) maintenance costs for watershed activities required pursuant to its contract with the U.S. Corps of Engineers. (Expenditures in these two categories are now included in the O & M Charge/Fund.) After substantial debate on this issue, by consensus, the parties asked Mr. Nelson to suggest clarifying language and identify the relative funding relationship between the existing O&M Fund, future O&M Fund, Watershed Planning and Restoration Fund and Environmental Compliance Fund.

Section 2.7 – Watershed Planning and Restoration: Regarding Subsection (b), by consensus, the parties directed that “Russian River customers of the Agency” be included in the list of potential benefited entities that the Agency and WAC would seek to obtain participatory funding from.

(2) Addition of New Facilities:

Mr. Nelson reviewed the new language regarding new facilities (and potentially new capacity) created by unilateral agreements between the Agency and one or more water contractors. He noted he is suggesting a new class of water be created – Supplemental Water in order to meet the concerns raised at the prior session regards impact on WAC voting weights and impact on allocation of water during periods of shortage. After substantial discussion, the parties decided that an ad hoc subcommittee comprised of Miles Ferris, Chris DeGabriele, Pam Nicolai and Lee Harry would meet and make recommendations on this proposed section including: (1) how water/capacity that may be made available by such projects should be addressed in the water shortage allocation procedures; and, (2) address the issue as to whether a new class of water should be created. It was agreed Mr. Nelson would coordinate meetings of this ad hoc committee. Mr. Ferris said he would check into Brown Act requirements.

(3) Recycled Water/Local Supply Projects:

Mr. Nelson reviewed changes proposed regarding recycled water projects based on the negotiation session of June 23rd – chief among them being addition of local supply projects, substitution of a “7,500 afa reduction to be achieved in 10 years with 50% to come from recycled water projects” vs. the prior “5% reduction of a growing amount deliveries to be achieved in 5 years”, elimination of penalties for not meeting reduction requirements, and addition of a fixed \$25 per af charge to fund recycled water and local supply projects. Substantial discussion of the proposed language ensued.

Concerns/suggestions were raised regarding the July 1999 baseline start date, whether it was reasonable to achieve 3,750 afa of recycled water, whether the 7,500 afa should be stated as a requirement, whether retrofit with artificial turf should be counted, how to achieve equity regards Windsor’s contributions on water taken directly from the Russian River and credit for demand reductions on River diversions, whether the \$25 charge should be a cap, why it was necessary to include recycled water projects undertaken by Agency (with WAC approval) in the Transmission System, purpose(s) to which recycled water would be used, etc. Consensus was not achieved. Mr. Nelson was asked to survey water contractors for projected demand reductions due to future recycled water projects and future local supply projects and provide that information and a revised draft for the parties to consider at the next session.

Other Business:

Toni Bertolero asked questions of Randy Poole about the August 11, 2003 letter from the Agency and requested it be placed on a future Agenda of the WAC for discussion.

Follow-up Tasks for Next Session

1. Recap of August 25, 2003 Negotiation Session (Nelson)
2. Update on response from MMWD (Nicolai)
3. Review language recommended for Part 5 (Governance) (Nelson)
4. Continued Negotiation of Key Issues in Contention between WAC and Agency:
 - a. Planning and Watershed (review revised language)
 - b. Addition of New Facilities (report on progress of ad hoc committee)
 - c. Recycled Water and Local Supply Projects (review survey results and proposed new language)
 - d. Other Key Issues (as time permits)

Next Negotiation Session

Time and Date: 9:00 AM-12:00 PM, September 22, 2003
Place: Santa Rosa’s Laguna Treatment Plant

Attachment A

Attendees Of Water Advisory Committee Negotiation Meeting For August 25, 2003

Attendees:

- Chris Sliz, City of Santa Rosa
- Jane Bender, City of Santa Rosa
- Mike Martini, City of Santa Rosa
- Miles Ferris, City of Santa City
- Gerry Nakano, City of Santa Rosa
- John Nelson, JONWRM
- Chris DeGabriele, North Marin Water District
- Syed Rizvi, North Marin Water District
- Toni Bertolero, City of Cotati
- Janet Orchard, City of Cotati
- Pam Nicolai, Marin Municipal Water District
- Steve Phelps, Marin Municipal Water District
- Lee Harry, Valley of the Moon Water District
- Mike Ban, City of Petaluma
- Steve Simmons, City of Petaluma
- Pam Torliatt, City of Petaluma
- Randy Poole, Sonoma County Water Agency
- Carl Leivo, City of Rohnert Park
- Jake Mackenzie, City of Rohnert Park
- George Roberts, Forestville Water District
- Matt Mullen, Town of Windsor
- Paul Berlant, Town of Windsor

Public Attendees:

- Brenda Adelman, RRWPC
- Don McEnhill, League of Women Voters
- Tom Yarish, Friends of the Gsteros
- H.R. Downs, Pennngrove